

## **Minneapolis City Planning Department Report Comprehensive Plan Amendments**

**Date:** August 19, 2002; September 23, 2002; October 21, 2002

### **Subjects of Amendment:**

- Add new Policy 4.9: Increase Population and Housing
- Eliminate existing Policy 4.9: Implement Housing Principles and Housing Impact Measures
- Add new Policy 4.10: Increase Affordable Housing
- Eliminate existing Policy 4.12: Assume appropriate responsibility for affordable housing
- Modify existing Policies 4.11 and 4.13: Improve housing choice

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### **Background**

In January, 2002, the City Council adopted a resolution directing Planning Department staff to review the housing-related policies of *The Minneapolis Plan* (TMP) and the provisions of the city's zoning code. The expressed intent is to modify the policy and regulatory context for residential development in order to foster the growth of the City's housing stock—and of affordable housing in particular. The draft amendments to *The Minneapolis Plan*, attached, represent the first of two sets of proposed changes that will be advanced for City Council consideration.

The proposed changes have been developed in consultation with an interdepartmental work team that included staff from MCDA, NRP, MPHA, Housing Inspections, and Plan Review. Additional feedback was received by the Shelter Advisory Board, City Planning commissioners at their Committee of the Whole meeting, and residents of the Southeast Como, Prospect Park East River Road, and Marcy Holmes neighborhoods.

Action on these amendments was continued from the September 23, 2002, Planning Commission meeting to October 21 to allow additional notification to the public and to allow the City Council strategic planning process to precede their consideration.

This report offers two proposed implementation steps as potential refinements to the September 23, 2002 language. One responds to the interest on the part of some commissioners for more assertive policy statements in regard to the distribution of affordable housing. The second contemplates that there is a City interest in promoting live-work housing developments and artist lofts as an important part of a vibrant mix of housing options. These implementation steps are

offered for discussion and potential adoption, but are not part of the staff recommended language. They are discussed below as potential additions to the Policy 4.11 Housing Choice section of the TMP. If either or both is adopted as part of the Planning Commission recommendation to the City Council, the text prefacing the policy should be modified to support this change.

### **Purpose of the Amendment**

The intent of the proposed changes is to add housing growth, and affordable housing growth, as policy priorities alongside the current TMP emphasis of housing choice, and to clarify Implementation steps in light of recent policy dialog and activity.

### **Comprehensive Plan**

#### ***Add new Policy 4.9: Increase Population and Housing***

The proposed policy statement reads: Minneapolis will grow by increasing its supply of housing. The intent is to state as directly as possible that the City of Minneapolis intends to pursue a growth strategy. Proposed implementation steps (see attached) direct the attention of City elected officials and staff to a number of general strategic areas that have high potential to foster growth.

Existing language in *The Minneapolis Plan* already places strong emphasis on the importance of population and housing growth. However, this emphasis is not currently reflected in the policies of the plan.

Housing growth will occur primarily through the addition of medium and high density housing. Proposed implementation steps provide support for a re-mapping exercise that would provide additional capacity for residential development in areas such as commercial and community corridors, activity centers and growth centers. Proposed implementation steps also support efforts to increase developer interest in Minneapolis. They give attention to making better use of vacant parcels, strengthening preservation of the existing housing stock, and paving the way for housing growth through dialog in and with communities.

#### ***Eliminate existing Policy 4.9: Implement Housing Principles and Housing Impact Measures***

The document, *Housing Principles*, with its associated Impact Measures was the clearest statement of the city's housing policy orientation from 1995 until the time *The Minneapolis Plan* was adopted in 2000. At that time, *Housing Principles* was fully incorporated into The Minneapolis Plan as policy 4.9. *Housing Principles* is neutral with respect to housing growth, emphasizing instead concepts of balance and variety in housing types and location. Policy 4.9 of *The Minneapolis Plan* states: Minneapolis will implement its adopted Housing Principles and the Housing Impact Measures through community based strategies directing future housing development.

There are three main reasons for the proposed elimination of *Housing Principles* as a TMP policy. First, *Housing Principles* contains policies that are overly restrictive with respect to the development of affordable housing, including the following.

“Up to 20% of the units in new multifamily housing developments should be affordable.”

“Disperse subsidized housing metro-wide. No community should receive greater concentration than the metro average.”

Second, *Housing Principles* sets goals that are problematic, utilizing its Impact Measures as performance measures. For example, one of the Impact Measures is the percentage of subsidized housing in the metropolitan area that is located in Minneapolis. The identified goal is to decrease the city’s share of subsidized units by freezing the number of subsidized units in Minneapolis at the 1995 level of 13,700 through the year 2010 while the regional supply grows from 19,785 in 1995 to 20,996 in the year 2010. These proposal to eliminate TMP Policy 4.9 responds to an expressed City Council/mayoral interest in increasing the supply of affordable housing, and playing a leadership role in the region with respect to affordable housing.

Some *Housing Principles* provisions retain their value as city policy. These policies are, however, replicated elsewhere in The Minneapolis Plan. The *Housing Principles* Impact Measures remains available to serve as a reference point for future rounds of strategic planning and goal setting.

#### ***Add new Policy 4.10: Increase Affordable Housing***

The proposed policy statement reads: Minneapolis will increase its housing that is affordable to low and moderate income households. This policy gives support to recent actions of the city council such as adoption of the Affordable Housing Resolutions, and approval of the recommendations of the City County Task Force on Homelessness. It supports the current wide-ranging activities of city staff and policy makers related to increasing the availability of affordable housing in Minneapolis.

The current language of The Minneapolis Plan does not give direct support to affordable housing growth. Existing policy language emphasizes increasing housing choice for people with limited means. It uses language such as: “improving housing options among those with few or constrained choices.” It states that the role for the city with respect to regional housing is to assume its “appropriate responsibility”.

The full policy statement to be replaced reads: “Minneapolis will both assume its appropriate responsibility for improving housing options among those with few or constrained choices, and collaborate with partners at the regional, state, federal and local level to assure that appropriate solutions are pursued throughout the region.”

While most growth in affordable housing will happen in connection with the development of medium and high density residential buildings, other development strategies have their place.

Proposed implementation steps provide support for these activities. They underscore the importance of housing preservation. They emphasize the importance of stretching a limited

amount of city financial capacity through providing regulatory incentives to developers, pursuing partnerships with other entities, and addressing availability of financing for low income households. They note the continued importance of planning and activity on a regional level, considerations related to long-term affordability, and building understanding and dialog at the neighborhood level.

Note that the policy is proposed to be re-numbered from 4.12 to 4.10. Policy 4.10 is being renumbered to 4.12.

The location of affordable housing is a critical issue that receives attention under the “housing choice” heading of the following proposed policy.

### ***Consolidate and Modify Policies 4.11 and 4.13: Improve Housing Choice***

Housing choice is the central organizing framework in the existing housing section of *The Minneapolis Plan*. The proposed changes put the theme of housing growth alongside housing choice, and specifically note the importance of growth in the affordable housing stock as critical in providing options for low and moderate income households.

TMP provisions related to housing choice are currently divided between two related policies and their implementation steps. Current Policy 4.11 addresses housing choice for “those with few or constrained choices.” Current Policy 4.13 addresses housing choice for “residents with substantial choice.” Planning staff finds this distinction to be somewhat artificial and awkward. The implementation steps that support one of these policies are very similar to those that support the other. The staff recommendation is thus to simplify the policy and state simply that the city has an interest in having a housing stock that meets the needs of everyone.

The current policies are stated as follows:

- 4.11 Minneapolis will improve the range of housing options for those with few or constrained choices.
- 4.13 Minneapolis will expand the type and range of housing types for residents with substantial choice.

The proposed policy is stated as follows:

- 4.11 Minneapolis will improve the availability of housing options for its residents.

Proposed implementation steps emphasize the importance of housing choice with respect to cost, location and style. They underscore the importance of maintaining medium and high density residential areas and places that are predominantly single family and/or duplex housing. They support meeting the needs of people of different ages and household sizes, people with disabilities, and people with limited means. Implementation steps also note the importance of distributing affordable housing throughout the city, and the rehabilitation and reuse of older and historic residential structure.

## ***Additional Potential Implementation Steps for Discussion on October 21***

### **Locational Distribution of Affordable Housing**

The September 23 TMP proposal retains language that offers support to de-concentrating the proportion of affordable housing in poverty-impacted neighborhoods. It reads:

Diversify the locational distribution of affordable housing.

This policy intent is stated more assertively in existing TMP language. However, the specificity of the goals identified in existing language has created some problems in assessing the compliance of projects with the comprehensive plan. Planning staff has drafted the following alternative implementation step to support the Planning Commission discussion of the issue. It is significantly more assertive and directive than the September 23 language, but it avoids the most explicit goal statements that are problematic in the existing language.

Diversify the locational distribution of affordable housing. At least 50% of new subsidized dwelling units should be located in non-poverty-impacted neighborhoods. City supported housing projects in poverty-impacted neighborhoods should be designed to be attractive to middle income households, and the majority of dwelling units therein should be non-subsidized.

### **Live-Work Housing/Artist Lofts**

Proposed Policy 4.11 of the TMP states the City's interest in providing a wide range of housing options for people of all different means and needs. Many of the associated implementation steps flesh out specific important dimensions of this policy. One housing category not noted among these implementation steps is housing blended with a work setting. Variations on this theme are live-work housing, artist lofts, or work activity that falls under a home-occupation heading. City support for these categories of housing has not, to my knowledge, been made explicit. But housing of this kind can contribute positively to a wide range of disparate City goals. It may, for example, reduce traffic congestion by reducing rush hour commutes. It can contribute to strategies that preserve industrial areas that are in close proximity to housing. It can provide support to the newly discovered "creative class". It would offer policy support to geographically specific initiatives such as the Northeast Arts Action Plan.

Following is a roughly drafted implementation step offered for discussion purposes. Other opportunities to think through this might be in conjunction with the development and adoption of the Minneapolis Master Plan for Arts and Culture, or as part of a study of the adequacy of existing industrially zoned land to meet the needs of the City's workforce.

Support/promote the development of live-work and artist loft housing.

### **Recommendation of the City Planning Department:**

That the City Planning Commission recommends **approval** of the proposed amendments to *The Minneapolis Plan*.